

CMA02

Roll No. :
Total No. of questions: 5
Duration in Hours: 3 Hours

Total No of printed pages: 04
Section I & Section II = 60 Marks

Section I Marks 30

Answer any 3 Questions from Q1 to Q5 of Section I

Note: Solve Section I & II on SEPARATE Answer Book.

Q1) From the following information, prepare a statement showing cost and profit per unit

Direct material	Rs. 45,000
Direct labour	33.1/3% of direct material cost
Direct expenses	20% of direct material cost and direct labour cost.
Factory overheads	1/9 th of prime cost.
Office & Adm. Expenses	25% of works cost.
Selling and distribution exp.	10% of cost of goods sold
Units produced	100
Units remained unsold	10% of units produced.
Profit	1/6 th of Sales

Q2) From the following information prepare a Process Account, Abnormal gain account and Normal Loss account

Input of raw material	840 units @ Rs. 40 per unit
Direct Material	Rs. 5,924
Direct wages	Rs. 8,000
Overheads	Rs. 8,000
Actual output	750 units
Normal Loss	15%
Value of scrap per unit	Rs. 10 per unit

Q3) A Transport service company is running five buses between two towns which are 50 kms apart. Seating capacity of each bus is 50 passengers. The following particulars were obtained from their books for April, 2008:

	Rs.
Wages of drivers, Conductors and cleaners	24,000
Salaries of office staff	10,000
Diesel Oil and other Oil	35,000
Repairs and Maintenance	8,000
Taxation, insurances etc.	16,000
Depreciation	26,000
Interest and other expenses	<u>20,000</u>
	<u>1,39,000</u>

Actually passengers carried were 75% of seating capacity. All busses run on all days of the month. Each bus made one round trip per day find out the cost per passenger km.

Q4. a) from the following information, calculate room days of a hotel:

Number of rooms	300
Occupancy Rate	90%
No. of days in a month	30
No. of working months in a year	7

b) From the following information calculate what rent should be charged for each type of suits:

single room days	51,300
double room days	22,800
three room days	9,300
total room rent receipts	Rs. 62,46,000

Rent of single room to be fixed as $\frac{2}{3}$ rd of double room suit of which rent is $\frac{5}{6}$ of the rent of three room suit.

Q5) Answer either A or B

A) Explain in short (Any 5):

- 1) Fixed Cost
- 2) Variable Cost
- 3) Step Cost
- 4) Budget
- 5) Sunk Cost
- 6) Differential Cost
- 7) Opportunity cost

OR

B) Differentiate between Cost Accounting and Management Accounting

Section-2

Marks: 30

Note: Attempt any three questions. Marks will be awarded for brevity and logical presentation.

Q. 1.

- A) Distinguish between marginal costing and absorption costing. (4)
- B) The following data refer to a single product Flexi , manufactured by Hi Tech Computer Ltd.
Sale price Rs. 100
Material cost Rs. 60
Direct labour cost Rs. 20
Facilities cost : Rs. 1 lakh per year (for a highly automated plant mainly includes rent, insurance, taxes and depreciation)
Find out: (6)
- Contribution margin per unit
 - Break even point in rupees
 - The required level of sale if company plans to increase fixed cost by 5% (for improvement of quality) and achieve a desired profit of Rs. 2 lakh.

Q.2.

- A) You have been approached by a friend who is seeking your advice as to whether he should give up his job as an engineer with a current salary of Rs. 20,000 per month and go into business of his own ,assembling and selling a component which he has invented. The cost of the component would be Rs. 250 and the selling price Rs.400. The demand of the component is expected to be 200 units per month. Advise your friend whether to go for the business or not. (6)
- B) What is margin of safety? How margin of safety can be improved? (4)

Q.3.

- A) What is zero base budgeting? List out its main advantages. (4)
- B) Shocker company has the following sales budget for the next year:-

Quarter	Units
1 st	10,000
2 nd	8,000
3 rd	12,000

Company policy is to have a finished goods inventory at the end of each quarter equal to 10% of the next quarter's sales.

What is the budgeted production for the third quarter of the year? (6)

Q.4.

ABC Company needs 10,000 components for producing one of its products. The company can buy the component from the market at Rs. 100 per unit instead of making it. ABC could not use the released facilities in another manufacturing activity. Fixed overheads will continue be incurred regardless of the decision. The cost data are as follows:-

Cost to make the part:	(Rs.)
Direct materials	50
Direct labour	15
Variable overheads	10
Fixed overheads	20
Total cost	95

Find out which option is desirable for ABC. (10)

Q.5.

XYZ company has three divisions whose income statements and balance sheets are summarised below:

	Div.X	Div.Y	Div.Z
Sales	5,00,000	75,00,000	1,00,000
Operating income	25,000	30,000	5,000
Operating assets	1,00,000	15,00,000	2,50,000

Compare and comment on the relative performance of the three divisions on the basis of :

- Asset turn over
- Profit margin
- ROI

(10)

Thank you
